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THE EXECUTIVE



ANWR oil drilling gets more likely

By [Jim Snyder](#)

Oil drilling in the Arctic National Wildlife Refuge is one step closer to reality after a Senate panel approved opening a portion of Alaska's northern coastal plain as a way to raise \$2.4 billion in federal revenue over five years.

A similar measure is expected to pass the House Resources Committee, possibly next week, as Congress looks for as much as \$50 billion in spending cuts and new revenues to meet the conditions set out in an earlier passed budget resolution, an effort to trim federal deficits.

One possible difference between House and Senate versions is how the House treats the Outer Continental Shelf (OCS), another protected area the oil and gas industry would like to explore.

Resources Committee Chairman Richard Pombo (R-Calif.) continued to negotiate with the Florida delegation over language that would possibly open the OCS to drilling by providing states the option to opt out of federal drilling bans, said committee spokeswoman Jennifer Zuccarelli.

The Senate version doesn't include OCS language because Energy and Natural Resources Committee Chairman Pete Domenici (R-N.M.), who is known as one of the Senate's best vote counters, believed it would complicate effort to pass the reconciliation bill.

Although the Senate Energy and Natural Resources Committee's ANWR vote was expected, it still represents a victory for oil and gas interests, which have lobbied for years for access to ANWR's oil reserves.

The Senate committee has voted to open ANWR in the past — four

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times by one estimate. But the 13-9 vote yesterday may prove the first hurdle on the track to final passage, as Congress keeps a nervous eye on rising gasoline prices and fiscal conservatives agitate to cut the deficit.

Neither side argues that ANWR will immediately lower gasoline prices.

But Red Cavaney, the president of the American Petroleum Institute, which represents the major integrated oil companies in Washington, told The Hill last week that Congress should “expand opportunities for exploration and production.” By doing so, Cavaney said, lawmakers will send signals to oil markets that future supplies may be less constrained.

Lawmakers should “enact things that send a signal that Congress understands what is happening,” he said.

But Democrats countered that opening ANWR would do little to reduce the country’s dependence on foreign oil, the crux of the pro-drilling argument.

Sen. Jeff Bingaman (N.M.), the committee’s ranking Democrat, noted federal estimates that found that, without oil from ANWR, the nation would need to import 68 percent of the oil it consumed by 2025. If Congress agrees to open ANWR, 64 percent of America’s oil needs would still have to come from outside the country.

But Domenici argued that oil from Alaska could equal what the state of Texas produces and ease the tight supply-demand curve that oil companies blame for rising gas prices.

Committee members debated, and rejected, three amendments offered by Democrats. Bingaman offered a measure to require the same environmental studies before drilling as would be required on other federally managed land.

Republicans said environmental safeguards would be sufficient and rejected the amendment because it would effectively delay drilling so that the \$2.4 billion from oil leases would not be raised during the time covered by the reconciliation, 2006-2011.

Sen. Ron Wyden (D-Ore.), a drilling opponent, moved to attach an amendment that would have prohibited Alaskan oil from being exported. Domenici at first indicated his support for it, but he and other committee Republicans, except Gordon Smith of Oregon, rejected it for fear it would be subject to a Byrd rule challenge.

Another amendment, offered by Sen. Maria Cantwell (D-Ore.),



sought to ensure that royalties from drilling would be split 50-50 between Alaska and the federal government.

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